

CC:P&SI:8
GGrasman

SEP 19 1991

Regional Technical Coordinator
Midwest Region

Assistant Chief Counsel
(Passthroughs & Special Industries) CC:P&SI:8

Technical Coordination Report 91-116
Submitted by Revenue Agent David B. Nilles
Fargo District

The Technical Coordination Report recommends that low-paid employees and unpaid volunteers of charitable organizations who receive legal wagers on behalf of such organizations be excluded from the annual \$50 wagering occupational tax imposed by section 4411(b)(2) of the Internal Revenue Code. Mr. Nilles feels that such exclusion would effectuate administrative cost savings to the government and eliminate the paperwork and financial burdens of the persons otherwise subject to such tax.

We are currently considering the various issues that have arisen in connection with the recent mushrooming of legal gambling activities, particularly by charitable organizations. Mr. Nilles' suggestions will be given consideration in our deliberations.

We appreciate Mr. Nilles' interest and initiative in bringing this matter to our attention. Copies of this memorandum are attached for the District Technical Coordinator, Mr. Nilles, and other interested parties.

(signed) Richard A. Kocak

Richard A. Kocak
Assistant to the Branch Chief
Branch 8

4 copies attached

• 08781